VisitEngland

Tourism Business Monitor

Wave 1 – Post Christmas and New Year period 2012

VisitEngland

Contents

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Background, objectives and research method

Tourism Business Monitor designed to measure, monitor and understand tourism business performance and confidence and the factors which influence them.

Amalgamation of two previous surveys discontinued at end of 2011:

- England Attractions Monitor
- Accommodation Business Confidence Monitor

Telephone survey conducted five times per year immediately following key tourism periods among:

- c. 500 accommodation establishments (c. 250 serviced / c. 250 non-serviced), including mix by region, establishment size and hotels / guest houses / B&B / self-catering / caravan and campsites.
- c. 300 visitor attractions including mix by region, attraction type, size (measured by annual visitor admissions) and free / paid admission.

Questions on 'hot topics' included on a periodic basis.

Fieldwork dates:

Jan 2013: 7-13 Jan 2013, reviewing Christmas and New Year period 2012

Nov 2012: 5-12 Nov 2012, reviewing mid-September until the end of the October

Sept 2012: 10-17 Sept 2012, reviewing the school summer holidays

July 2012: 16-24 July 2012, reviewing the period after the Jubilee bank holiday weekend until mid July

June 2012: 11-15 June 2012, reviewing May/ early June period, including Jubilee Bank Holiday weekend.

Easter 2012: 16-23 April 2012, reviewing January to April period

Key Findings: Business Performance

Overall, it seems that both the attractions and accommodation markets are stabilising with fewer businesses reporting any change in year on year numbers for the winter holidays, than during the rest of 2012.

There are clear signs of recovery, with a levelling of accommodation businesses in growth against those in decline and a shift towards growth for attractions.

Estimated visitor numbers for the Christmas and New Year period remain down on last year, by -2% for both types of business. However, this decline is driven by a relatively small proportion of businesses who are still struggling from the effects of a difficult year (8% of accommodation businesses and 10% of attractions, which report a drop of over 20% of visitor numbers).

For accommodation, the repeat visitor market remains buoyant, and hotels are successfully attracting new domestic visitors. However, other accommodation types are struggling to win new business. Reversing this trend will be the challenge for 2013.

The local attractions market remains important, but there has been a resurgence in overseas and domestic visitors from elsewhere in the UK. This gives strength to the argument that the Olympics displaced visits to and around the UK, so we can hope for a more positive year in 2013.

Key Findings: Business Confidence

Back in November, we saw some trepidation about the forthcoming year, with only 65% of attractions and 51% of accommodation businesses feeling positive about their outlook. Sadly the new year has not brought a new wave of optimism and confidence for 2013 has fallen to only 44% (attractions) and 38% (Accommodation).

There is more bullishness in the short term, with confidence for the period up until the end of Easter 2013 standing at:

- 87% for attractions
- 70% for accommodation businesses

However, expectations for Q1 and Easter are lower than expectations for the run up to Christmas. For accommodation businesses, this reflects poor advance booking levels, which continue to decline since tracking began in Easter 2012.

As such, we are seeing a proactive approach to 2013 with plans for increased investment:

- Facilities and fittings (Attractions: 41%; Accommodation: 40%)
- Special events and exhibitions (Attractions: 36%)
- Marketing investment (Attractions: 32%; Accommodation: 22%)
- Staff training (Attractions: 24%; Accommodation: 9%)
- Deals and discounts (Attractions: 19%; Accommodation: 17%)

Businesses seem to be embracing the digital revolution: 9 in 10 maintain a website and many leverage social media. In addition, 56% of accommodation businesses and 35% of attractions offer the option to book online in advance. Given the high proportion of visitors who now browse and buy online, development of online purchasing should be a priority for any business not currently offering this.

Given that advance purchase would help to mitigate against the effect of any negative changes in the weather, this would seem like a wise investment for outdoor attractions in particular.

2012 was UK's second wettest year on record

BBC, Jan 13

Staycations recover from soggy start to Summer

E-tid, Dec 12

London 2012 boosts Britain's image abroad

E-tid, Jan 13

[Tourism Society's] Survey reveals industry optimism for 2013

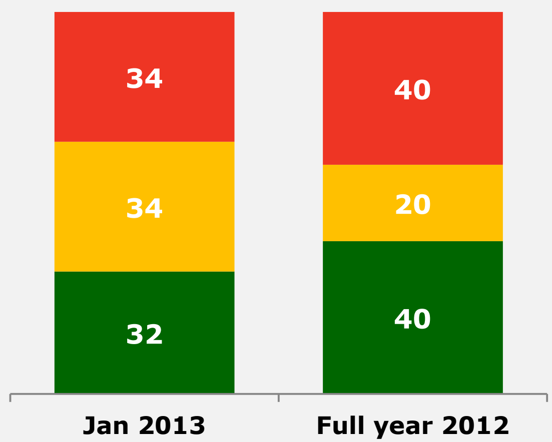
E-tid, Jan 13

Business Dashboards

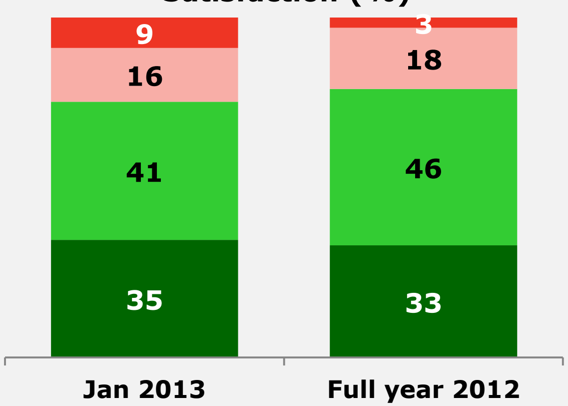
Business Performance Dashboard

Accommodation

Visitor numbers (%)



Satisfaction (%)



Versus same period previous year…

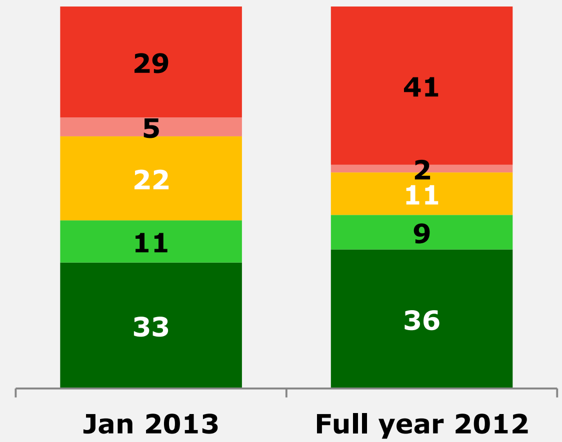
- Down
- Same
- Up

Satisfied with business performance…

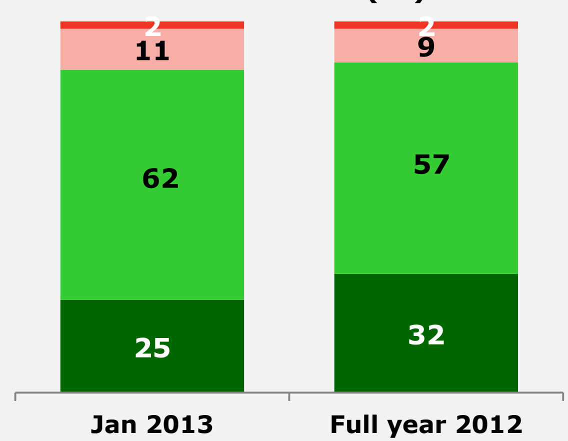
- Not at all
- Not very
- Quite
- Very

Visitor Attractions

Visitor numbers (%)



Satisfaction (%)



PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2013: Christmas and New Year period 2012

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bdrc continental

Q3/4. Q7/8, Q6 & Q10

Business Confidence Dashboard: confidence for next 1.5-2 months

Period asked about:

Survey conducted:	Period asked about
Easter 2012	Until after Jubilee bank hol
June 2012	Until start of summer hols
July 2012	Until end of summer hols
Sept 2012	Until end of October
Nov 2012	Until the end of the year
Jan 2013	Until the end of Easter

Q13

VisitEngland

bdrc continental

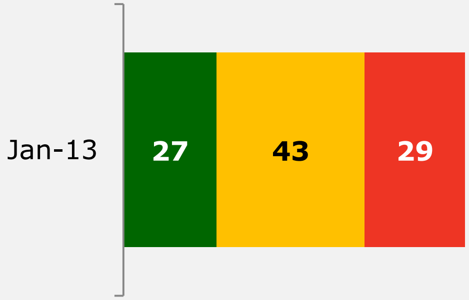
Visitor Profile

Changing Visitor Profile (year-to-date vs. previous year): **Accommodation**

Up | Same | Down

NET: Up - Down

Domestic visitors



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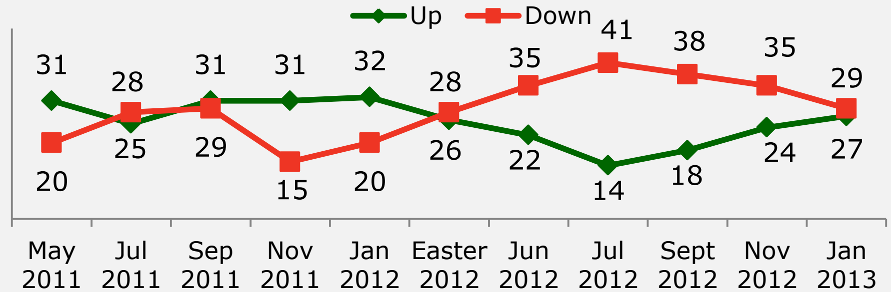
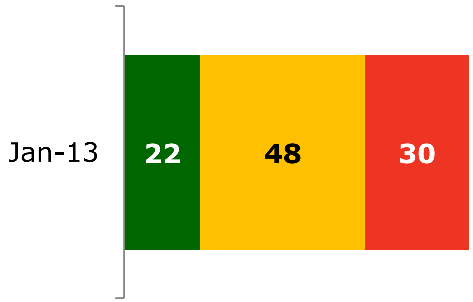
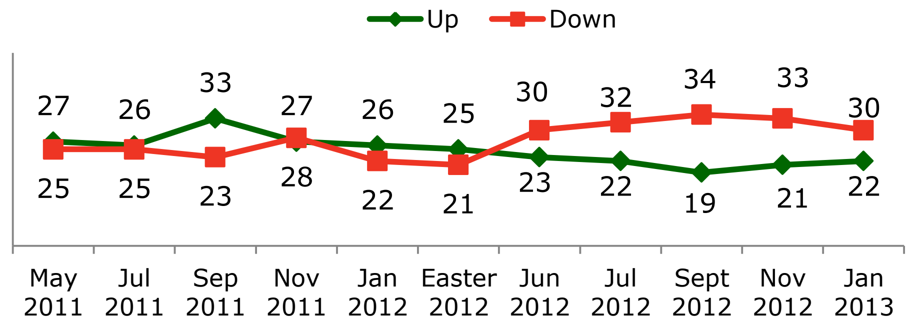
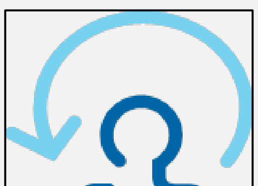


Overseas visitors

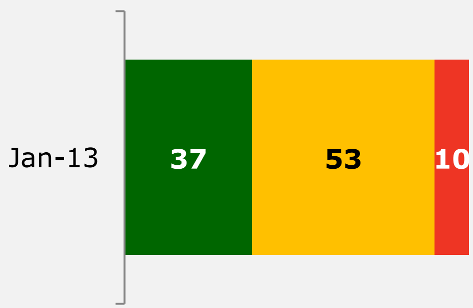


-8

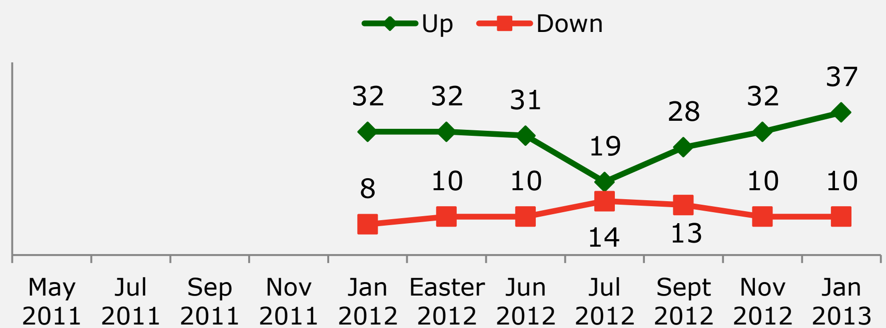




Repeat visitors



+27



PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2013: Christmas and New Year period 2012

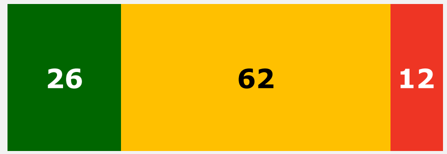
Changing Visitor Profile (year-to-date vs. previous year): **Attractions**

Up | Same | Down

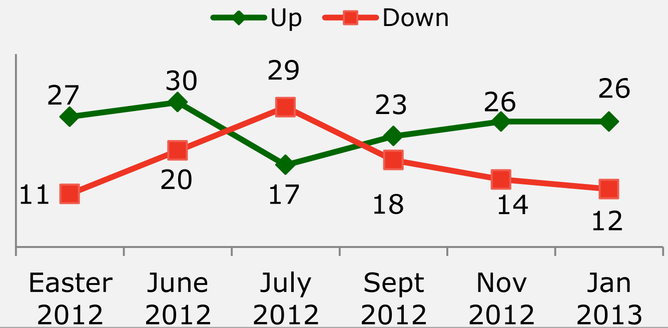
NET: Up - Down

Visitors from immediate locality

Jan 2013

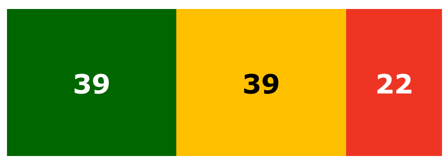


+14

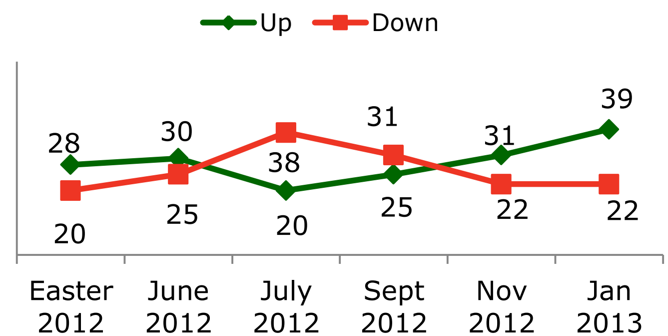


Other domestic visitors

Jan 2013



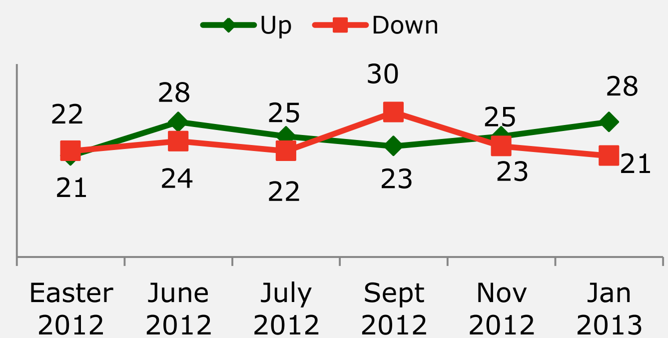
+17



Overseas visitors

Jan 2013

+7

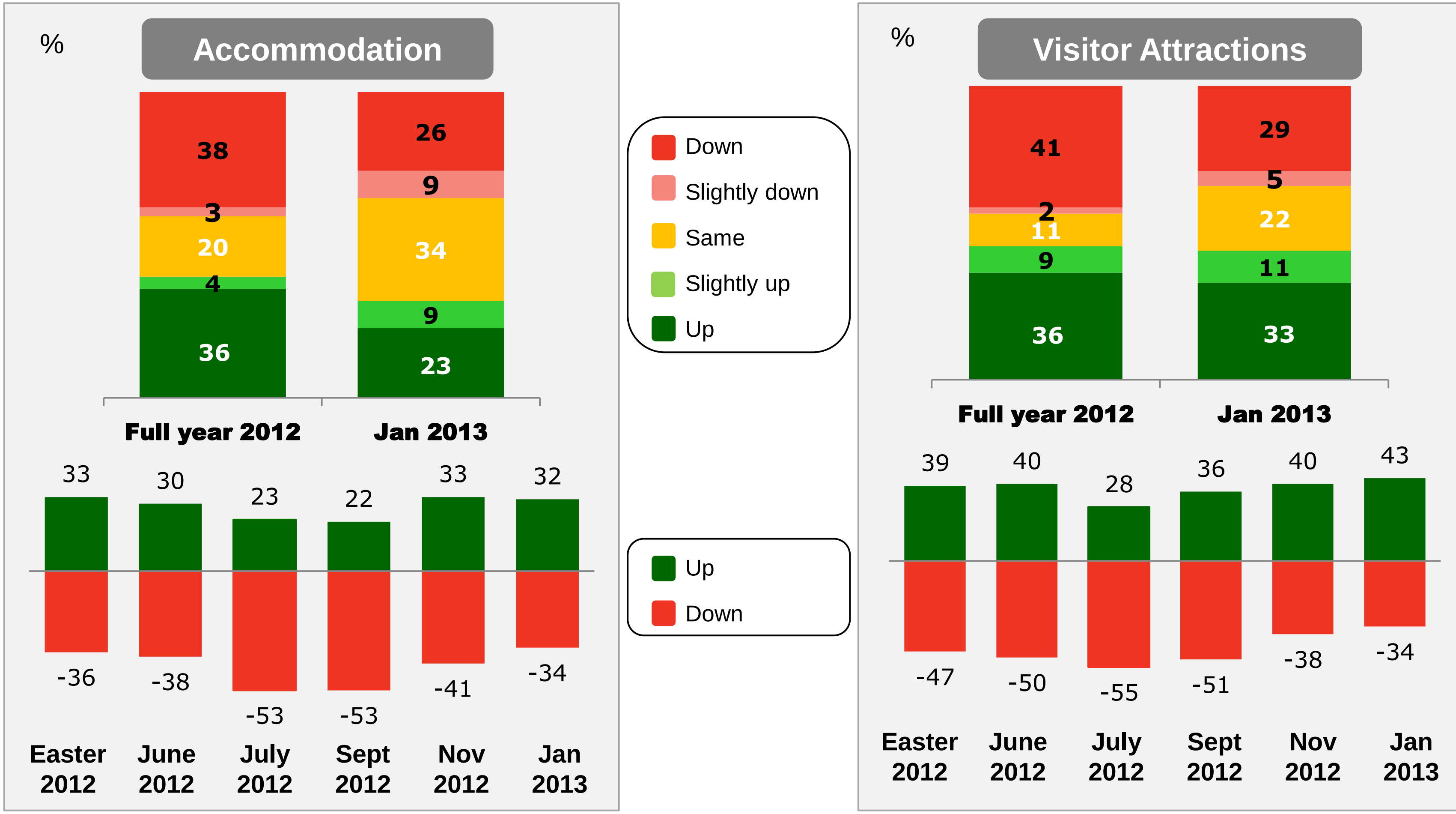


PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2013: Christmas and New Year period 2012

Business Performance

Visitor Numbers: Year-on-year changes (up /down)

Both accommodation and attractions are starting to show signs of recovery, especially the attractions sector, where more organisations are now in growth than in decline.



PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2013: Christmas and NY period 2012/ **Nov 2012:** Mid-Sept until end of October/ **Sept 2012:** School summer holidays/ **July 2012** Jubilee bank holiday weekend until mid July/ **June 2012:** May and early June until after Jubilee Bank Holiday/ **Easter 2012:** January to April period

VisitEngland™

Q3/4 & Q7/8

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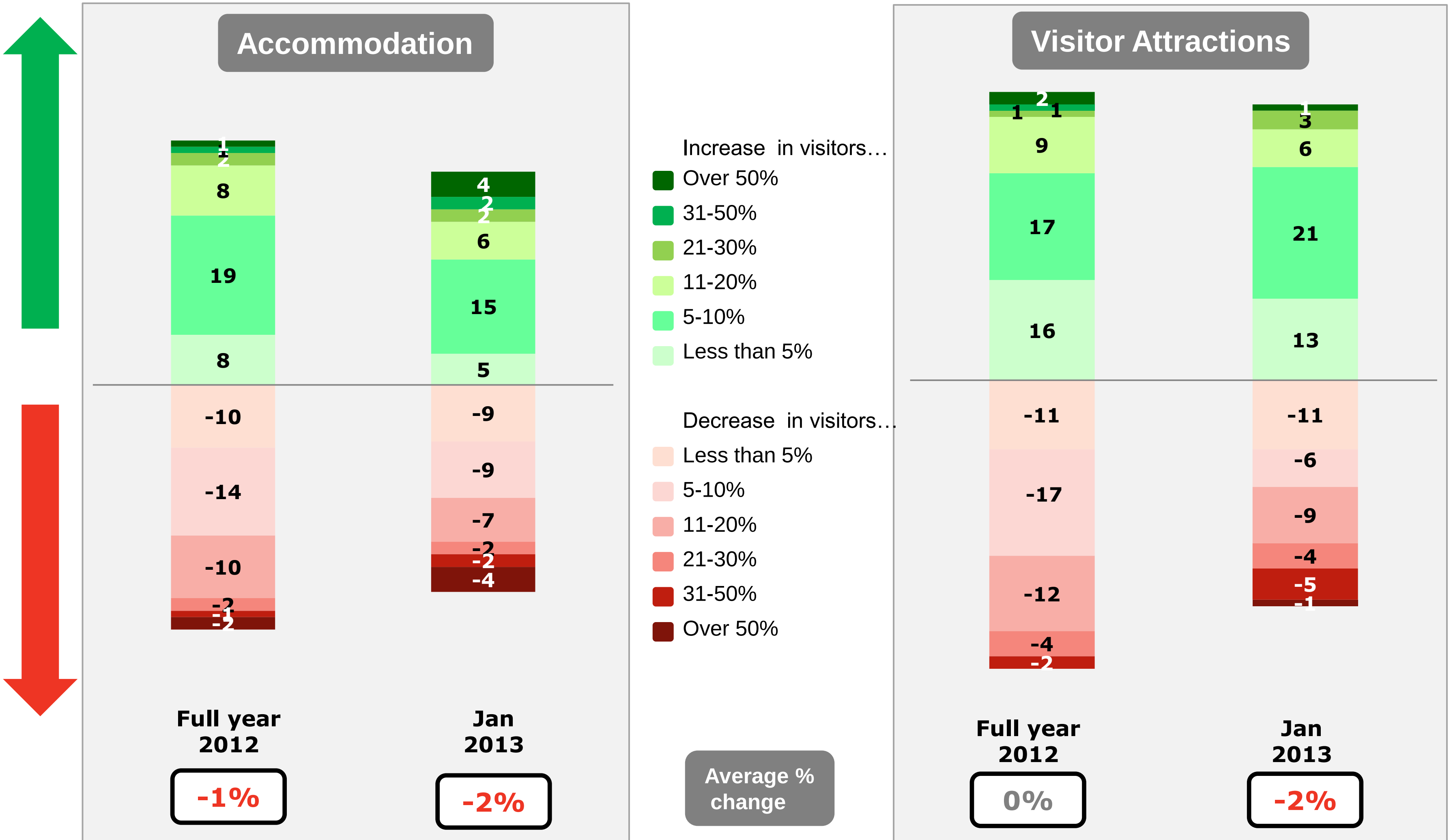
Visitor Numbers: Year-on-year changes (%)

The net year on year change remains negative, but this is driven by a minority of businesses whose numbers have declined substantially (8% of accommodations and 10% of attractions have seen visitor numbers decline by over 20%)



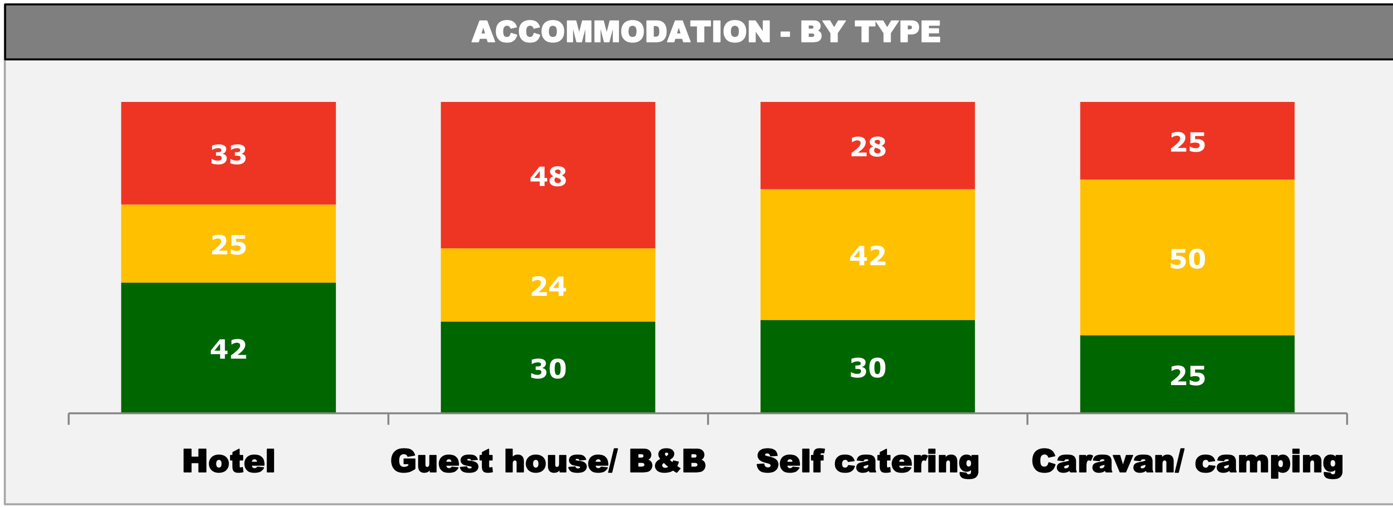
PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2013 Christmas and New Year period 2012

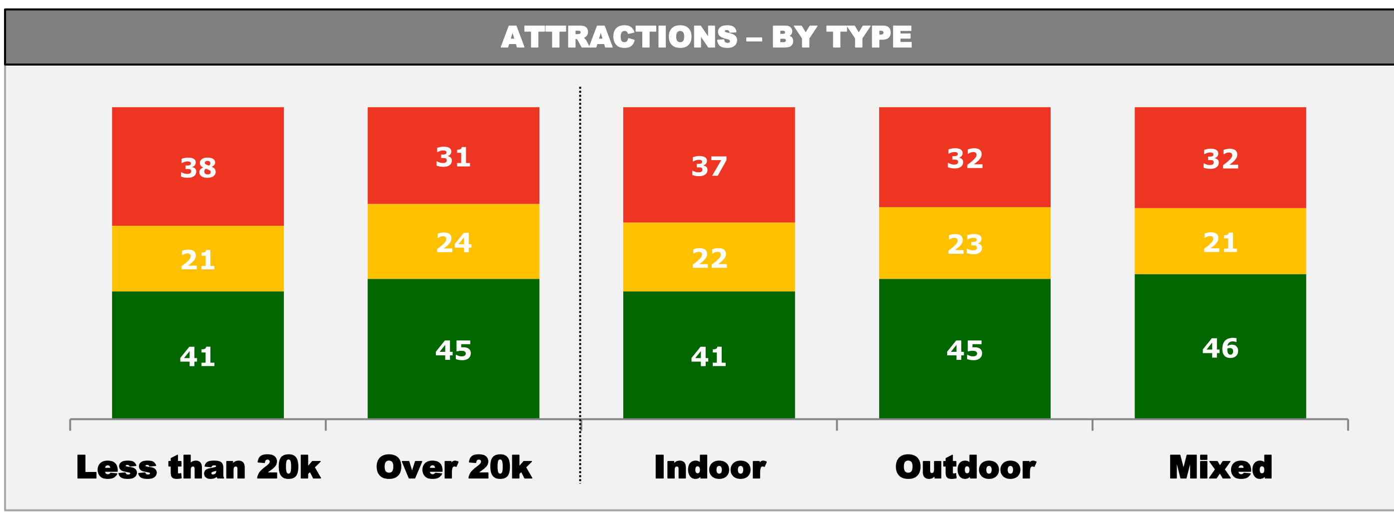
Changing business performance: By business type

Hotels have outperformed other accommodation types; there is less variance in performance of attraction types.

Versus same period previous year…

- Down
- Same
- Up

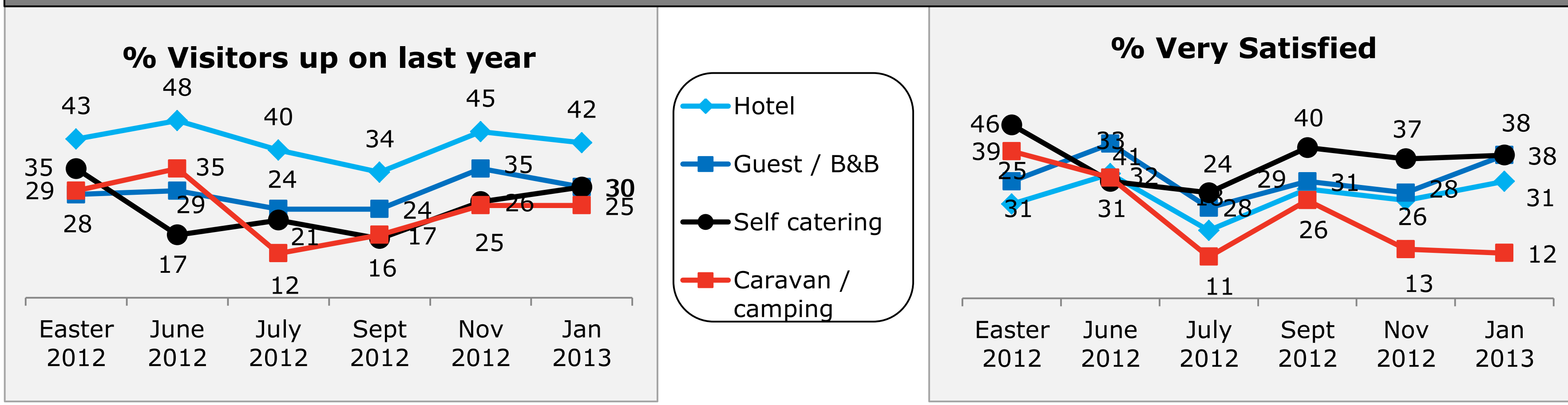




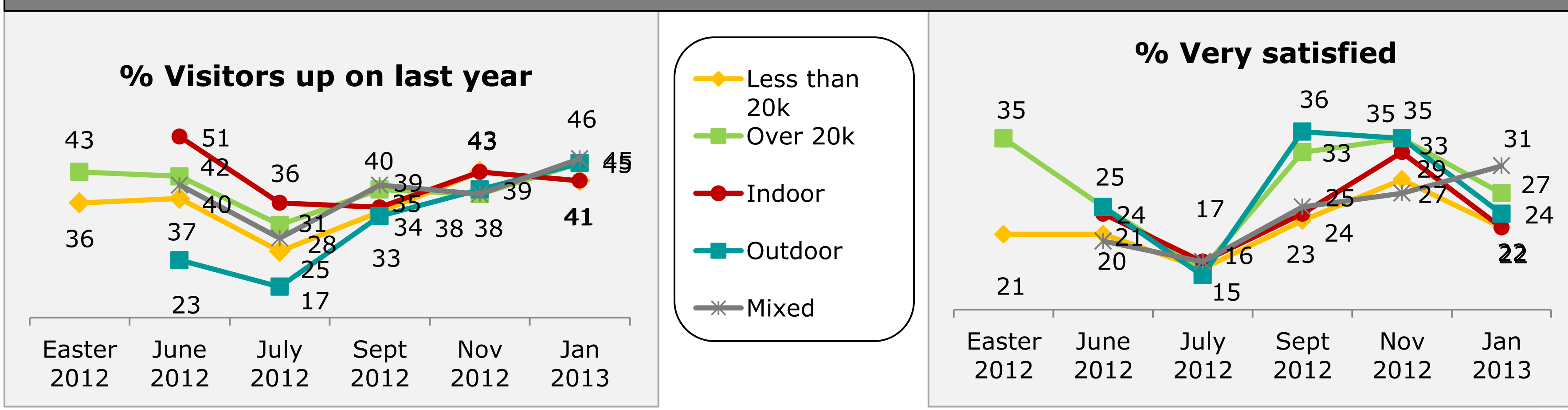
Changing business performance: By business type

Business performance has held fairly stead (up slightly for outdoor and mixed attractions) , as has satisfaction for accommodation businesses. However, most attractions seem despondent about their performance – perhaps feeling disillusioned following a difficult year?

ACCOMMODATION - BY TYPE



ATTRACTIONS – BY TYPE

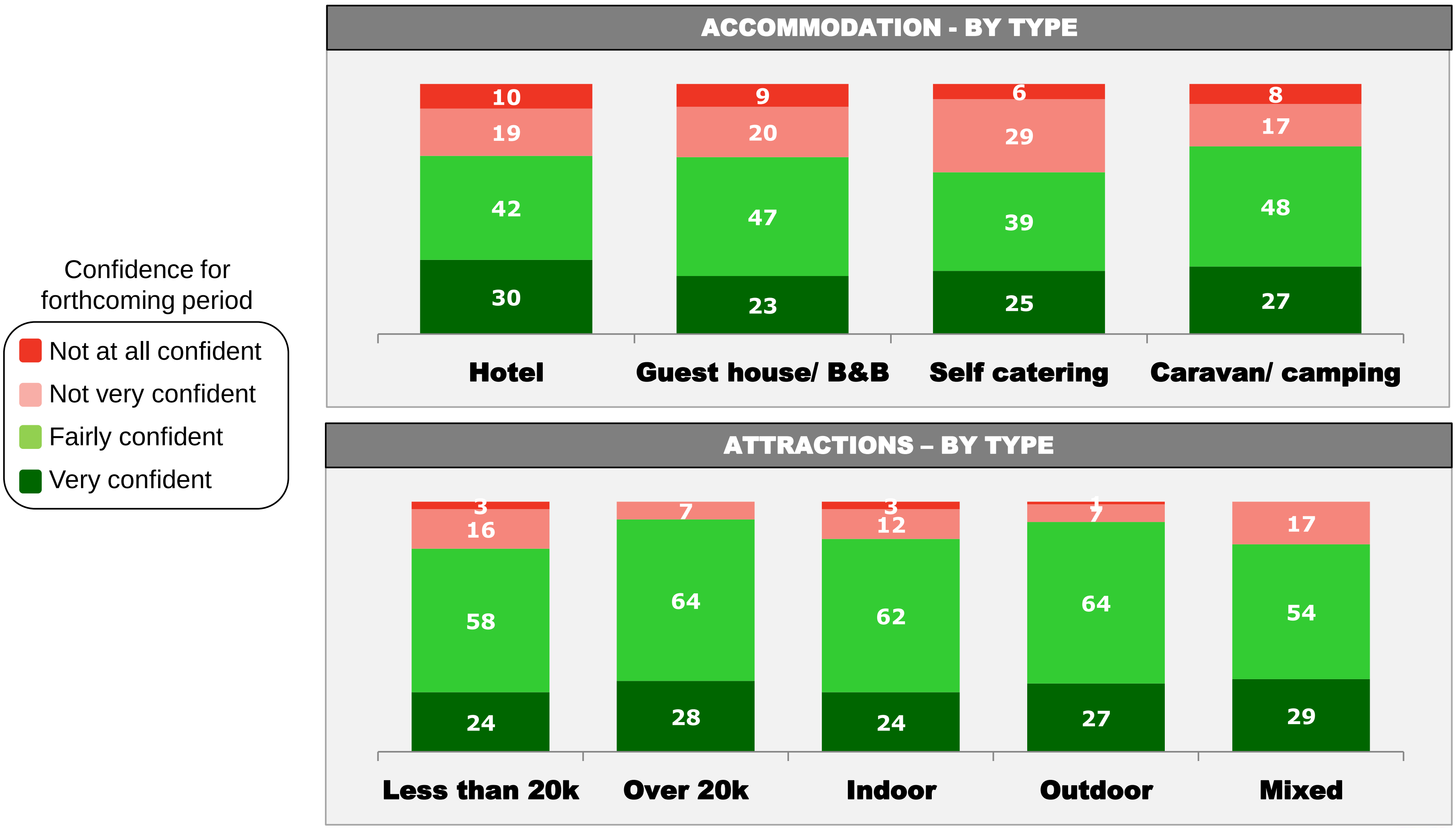


Q3/4, Q6

Business Confidence

Confidence in performance for forthcoming period: By business type

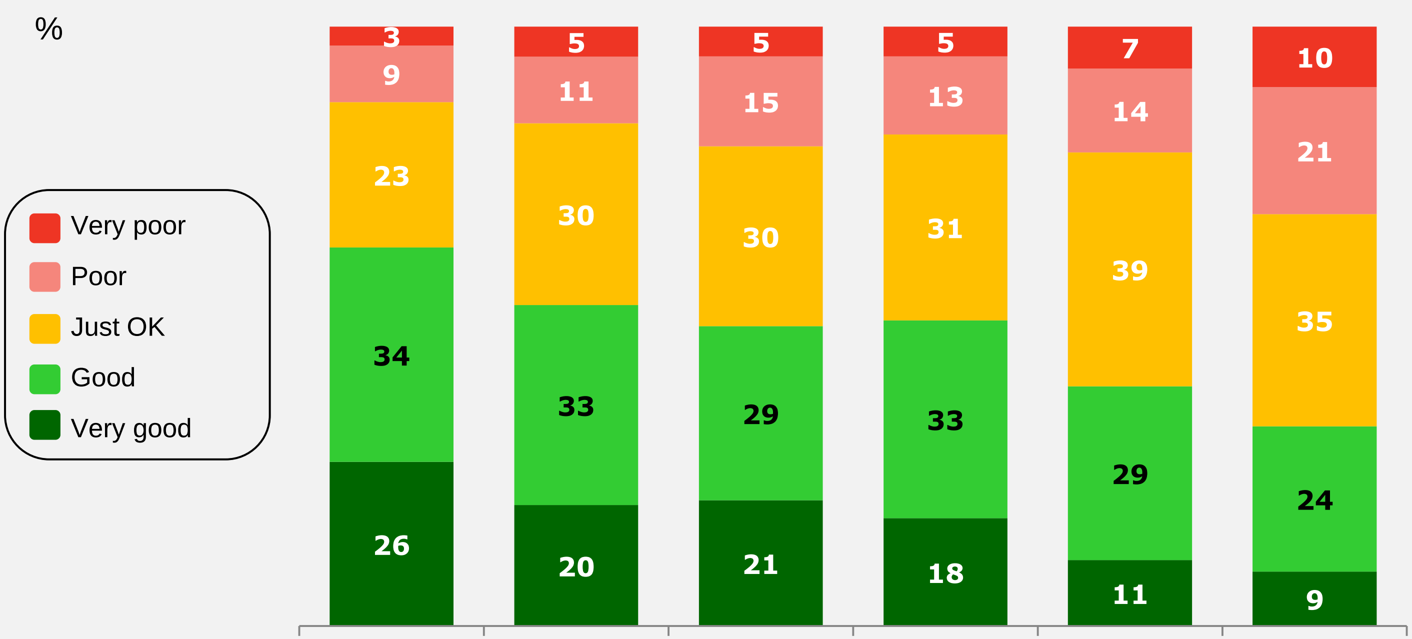
The attractions sector is more positive about the start of 2013 than accommodation businesses.



Q13

Advance booking levels: Accommodation

This is perhaps explained by the advance booking levels for accommodation, which have continued to decline since tracking began in Easter 2012.



Survey conducted:	Easter 2012	June 2012	July 2012	Sept 2012	Nov 2012	Jan 2013
Period asked about:	Until after Jubilee bank hol	Until start of summer hols	Until end of summer hols	Until end of October	Until end of the year	Until the end of Easter

Q14

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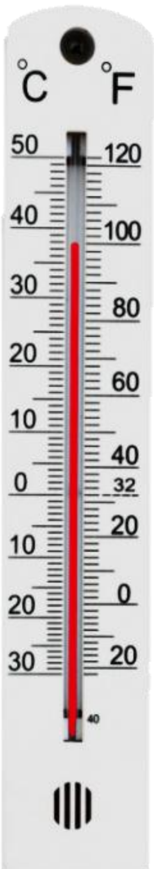
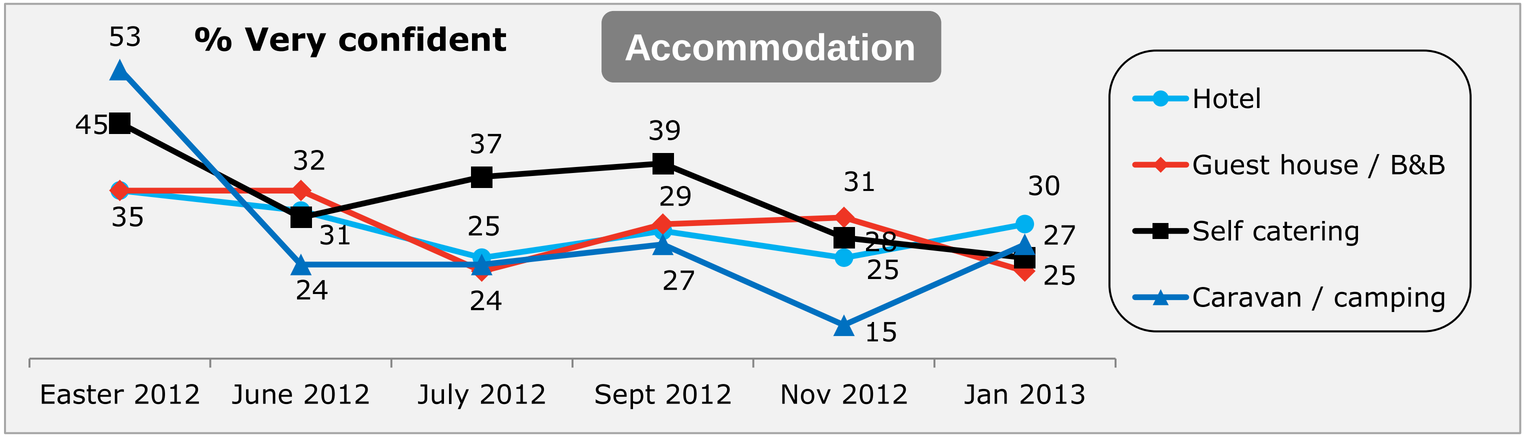
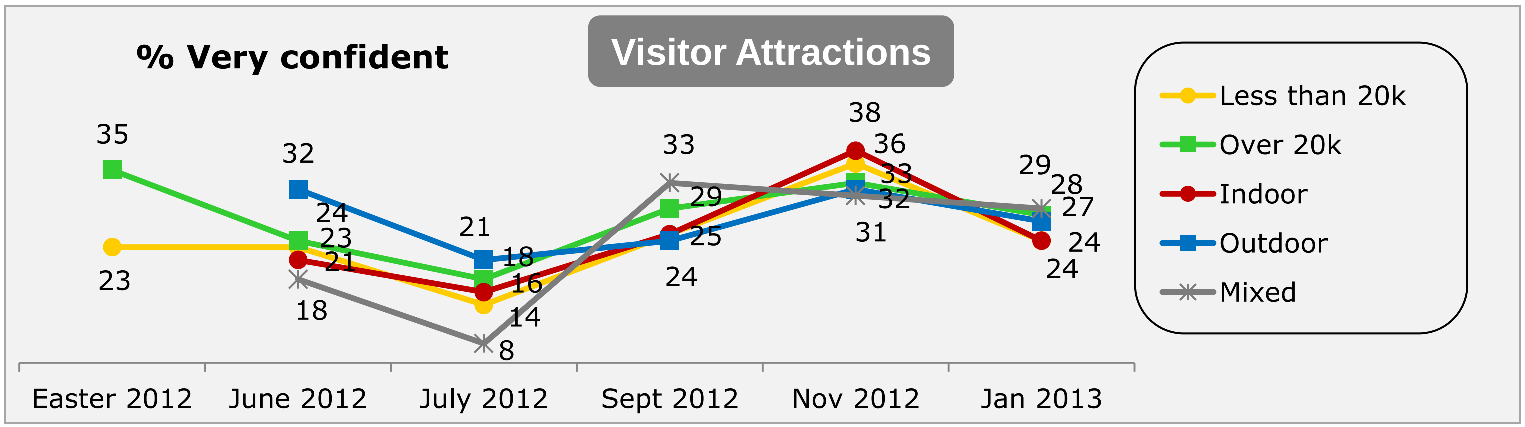
Confidence in performance for forthcoming period: By business type

The strength of confidence levels has waned across most of the sector: hotels and caravan/ campsites are the exceptions, but confidence has only returned to September levels.





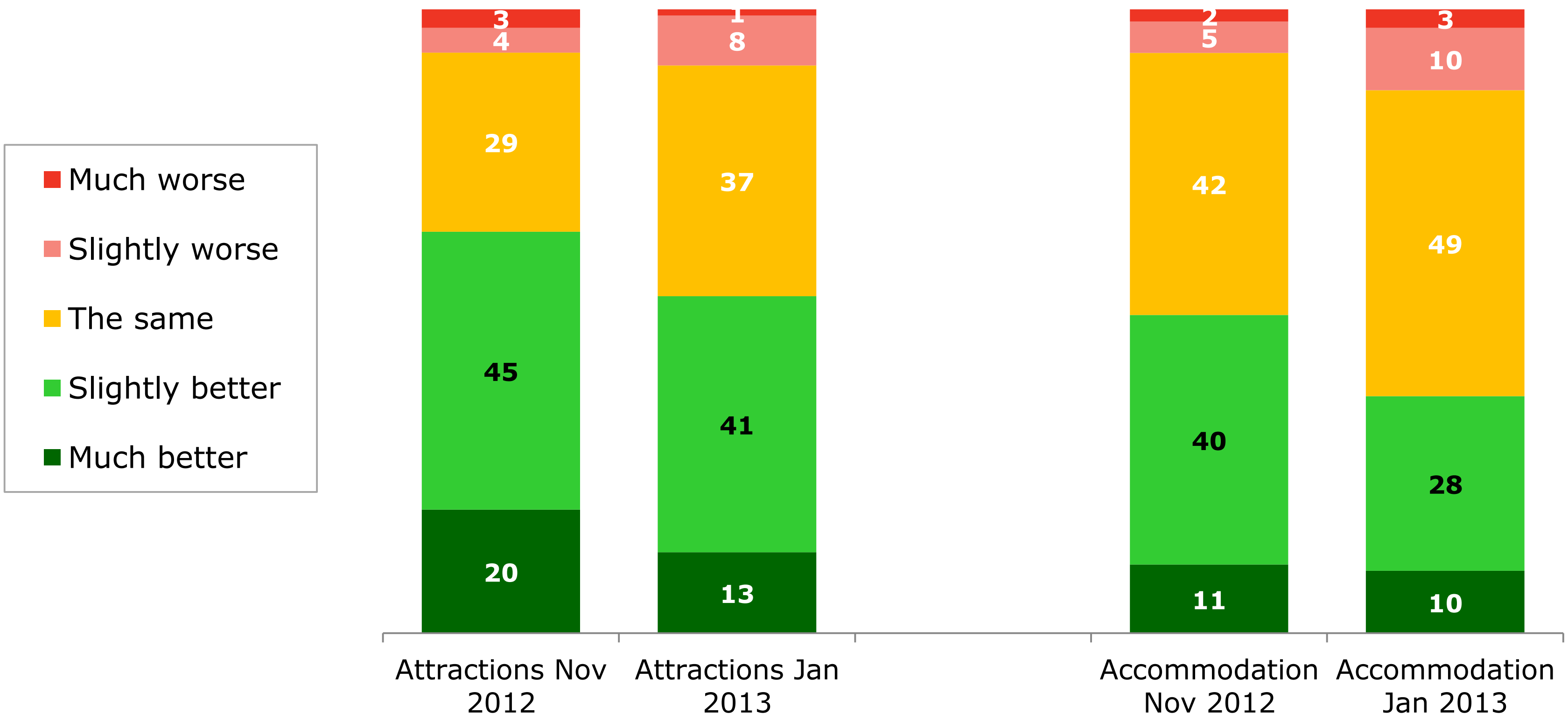


Survey conducted:	Easter 2012	June 2012	July 2012	Sept 2012	Nov 2012	Jan 2013
Period asked about:	Until after Jubilee	Until start of summer hols	Until end of summer hols	Until end of Oct	Until the end of the year	Until the end of Easter

Q13

Business optimism for 2013

Optimism for business in 2013 as a whole is fairly low and has fallen since November.



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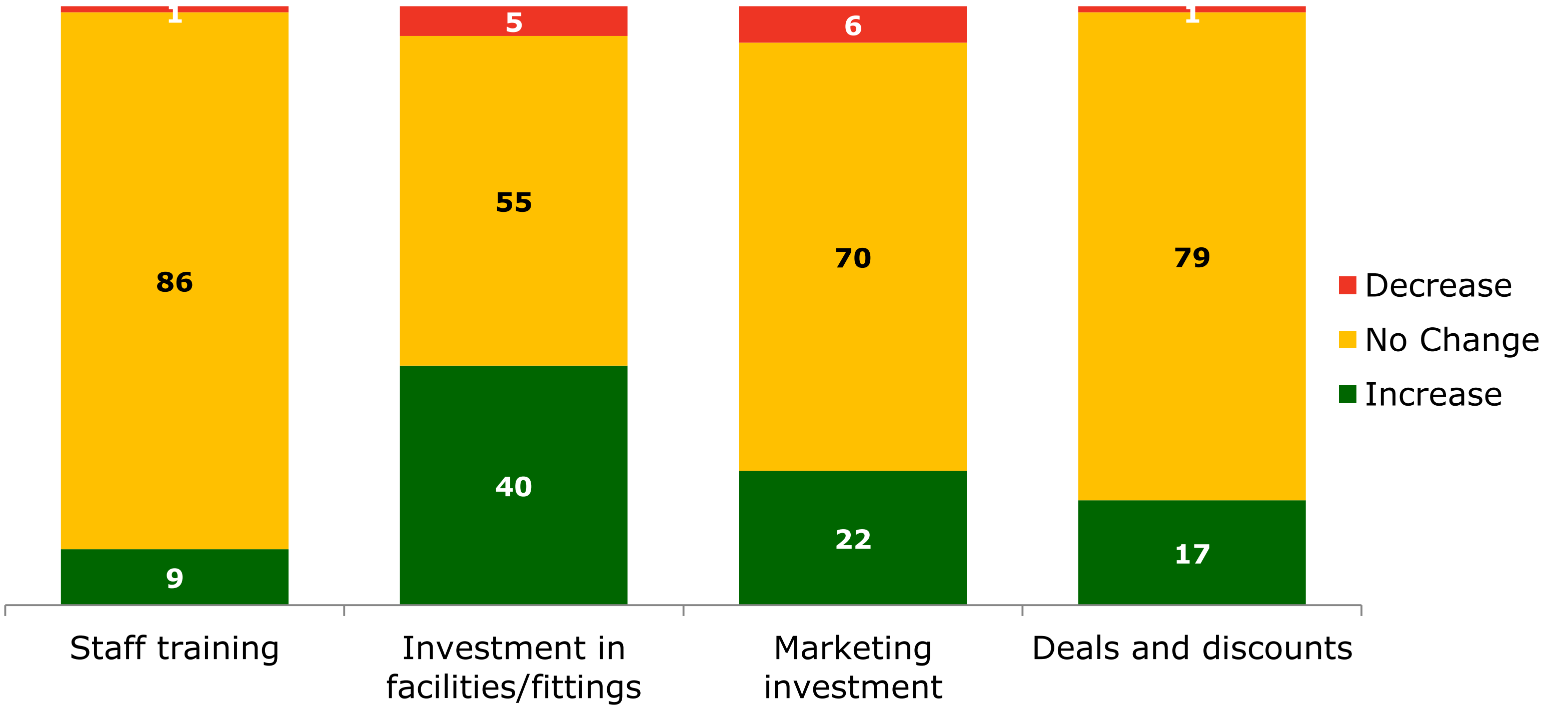
Q15

Planned business changes in the coming year: Accommodation

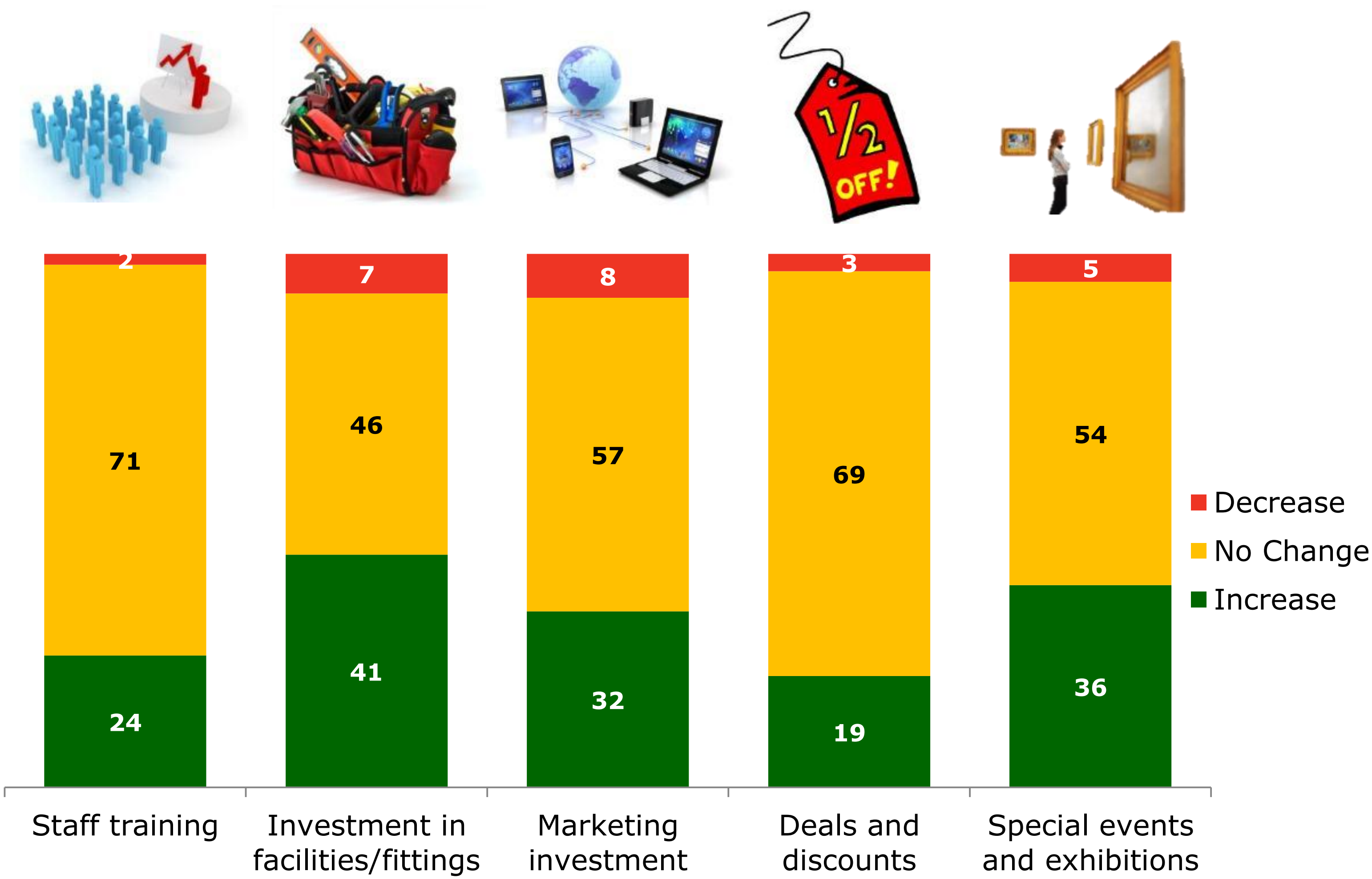
The principal investment of accommodation businesses in 2013 will be in infrastructure.



Q18a

Planned business changes in the coming year: **Attractions**

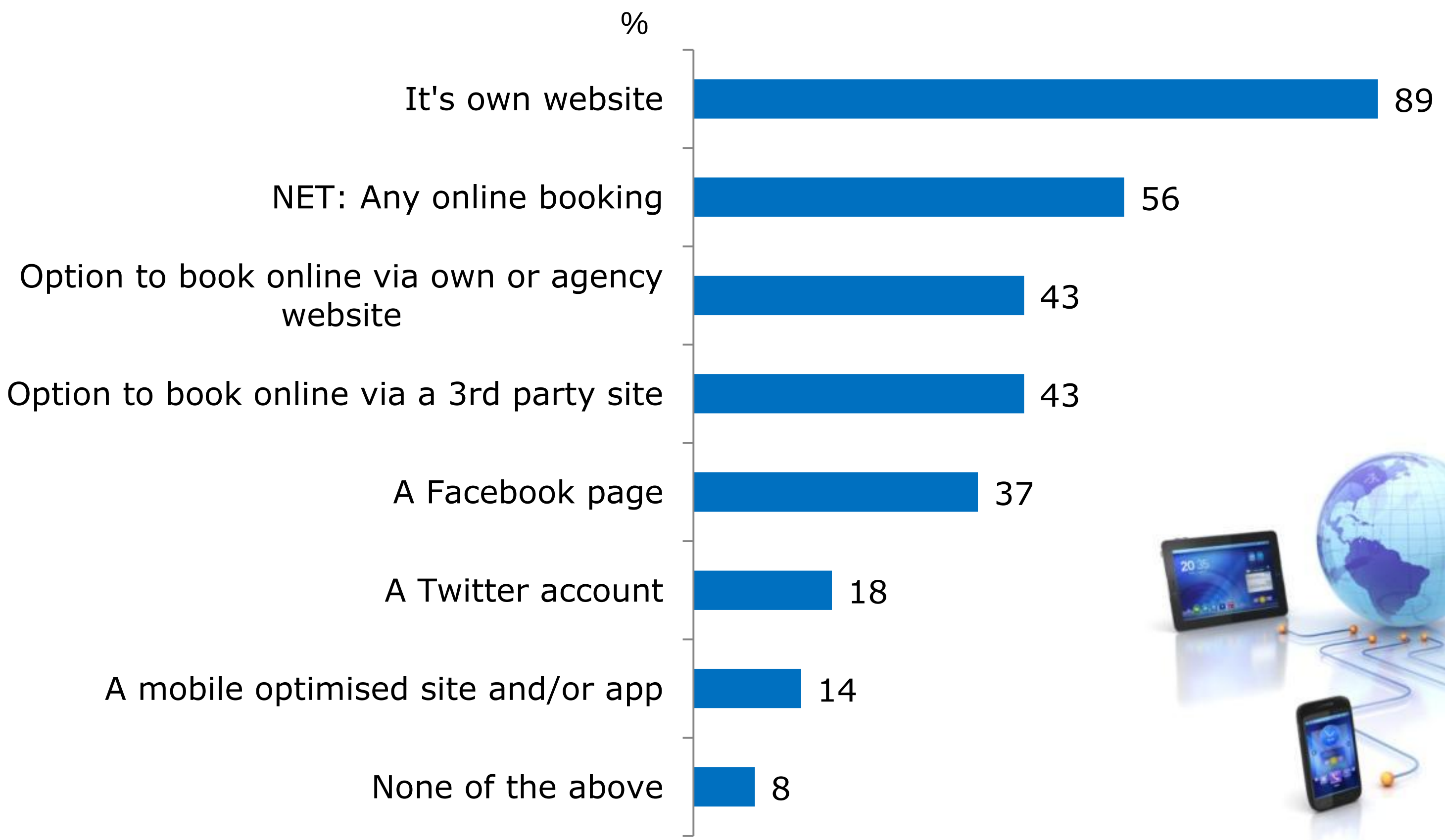
Attractions investment looks set to increase in 2013, with infrastructure, events/exhibitions and marketing top of the list.



Q18a

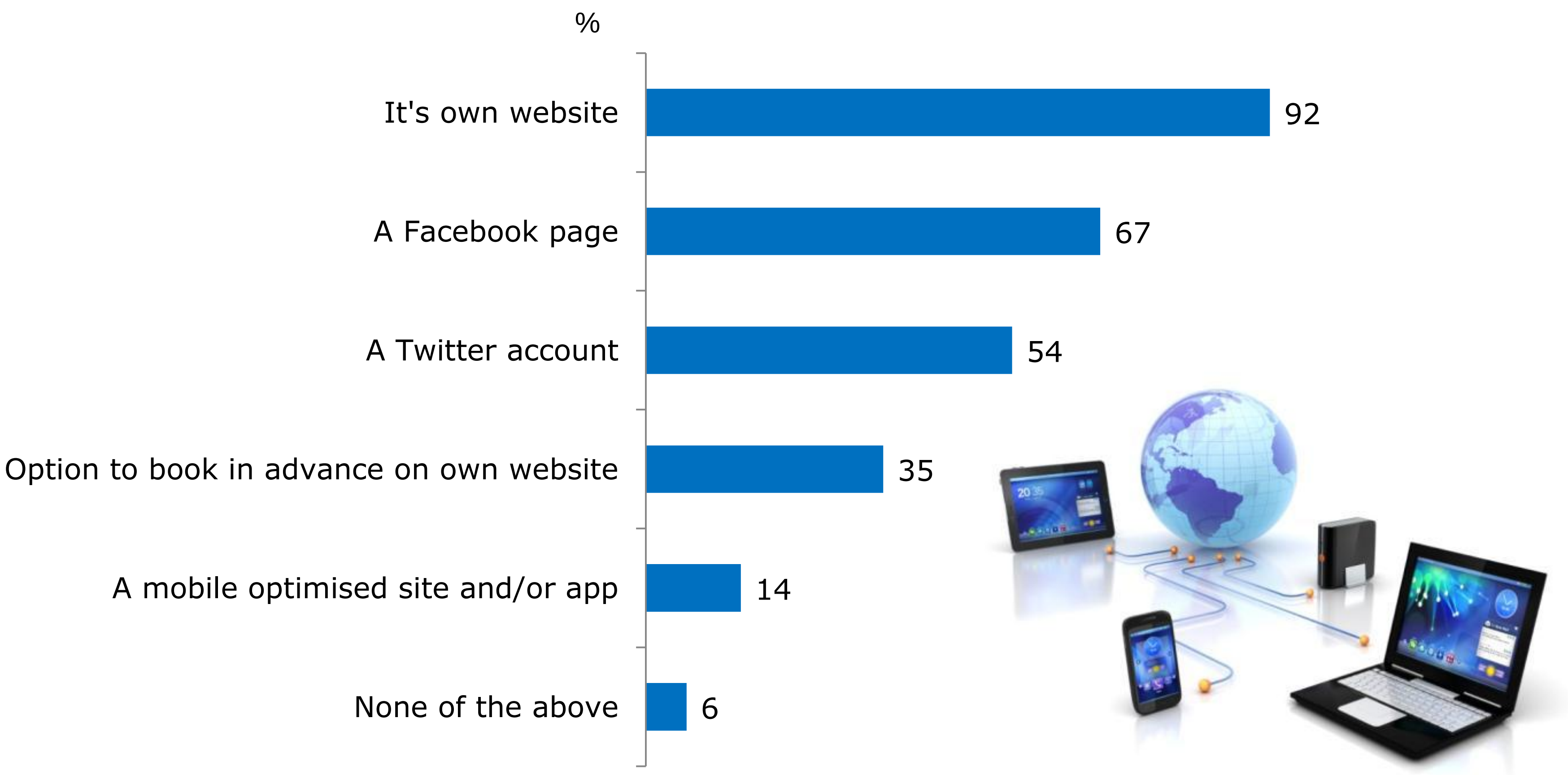
Online and digital marketing tools - Accommodation

9 in 10 accommodation businesses have their own website and nearly half of these accept online bookings. In addition, social media is leveraged by 38% (Facebook or Twitter).



Online and digital marketing tools - Attractions

Over half of attractions are now active on social media and websites are nearly universal.



Positive verbatim comments on business confidence

“

We have re-organised our marketing strategy. Where we used to rely on word of mouth, we now use the internet and we’ve modified our pricing (Accommodation)

I'm hoping that 2013 will be very good because we've recently opened a two bedroom holiday cottage next door. (Accommodation)

We're on Secret Escapes and various other sites like Booking.com etc. and we've got many bookings through these sites. (Accommodation)

We joined as a partner of the National Trust and hope that will make a difference for this year. (Attraction)

We opened a new attraction which has been open for 6 months now so we hope that word has gone round and we will attract new visitors in the next coming months. (Attraction)

We are growing our tour operator business and we will bring visitors into Liverpool by working closely with overseas tour operators. (Attraction)

”

Negative verbatim comments on business confidence

“

I think it is going to be a tough time ahead. People are coming for shorter breaks which doubles my expenses. (Accommodation)

The market is flooded with cottages and farmers are turning their buildings (cow sheds, etc.) into holiday accommodations. (Accommodation)

I think people have pushed out as much as they can for Christmas and I think between now and Easter people will not be spending. (Accommodation)

Travel to the island itself is becoming more expensive. All visitors have to come over on a boat and people can't afford it, which isolates us. (Attraction)

I don't see any signs of people wanting to spend money. (Attraction)

Well, we don't have a lot of money for marketing - we are penniless so we can't advertise. (Attraction)

”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